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EO 13526 3.5(c)

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
22 February 1977

INTELLIGENCE MEMORANDUM

ARGENTINA: PROSPECTS FOR THE JUNTA

Argentina's ruling generals have made substantial progress in dealing with the problems of leftist subversion and economic disarray that led to their takeover nearly a year ago. Terrorist capabilities have clearly declined and economic signs, such as a reduction of the inflation rate and last year's reversal of the trade deficit are encouraging. Although the initial crisis is over, the divisive forces that have complicated life for both military and civilian governments in the past are rapidly reemerging. Ultimately, the success of the junta is at stake; the regime will find it increasingly difficult to govern unless it can restore unity or at least stave off widespread disaffection. There are already signs of restiveness in civilian ranks, especially in the pivotal labor movement. Moreover, tensions within the junta itself have developed because of personal rivalries and differences over how to proceed.

Background

In theory, the regime has virtually unlimited powers and can enforce its dictates by exercising tight military control over the government at the national and local levels. In reality, however, the situation is much more

This memorandum was prepared by the Office of Regional and Political Analysis and was coordinated by the Office of Economic Research and the Directorate of Operations. Questions and comments may be addressed to [redacted] 3.5(c)

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complex and the military's control is far from complete as a result of Argentine political practices and behavior of the military.

Argentina's politics are marked by intense competition among political sectors, who are extraordinarily jealous of their prerogatives, even by Latin American standards. Although competition is keen, the interested parties--including the military--are bound together by a complex set of interrelationships.

Key sectors compete directly with each other largely unfettered by formal institutions that smooth over differences in other societies. The legislature and the courts, for example, are viewed as entities that are unable to mediate impartially the competition for power. In Argentine society political parties serve more to advance personal ambitions than to promote ideologies or philosophies. The limits of political activity are set by how much an individual or group can get away with before an opponent reacts.

The key political sectors are acutely aware of each other's every move. Each group nearly always interprets any gain by another as an automatic loss for itself. Compromise is not valued; instead, it is considered as a sign of weakness. A certain amount of violence, while not formally condoned, is regarded as within the rules of the game.

No sector has ever completely dominated the others for any length of time. Alliances and loyalties tend to shift too readily for any group to maintain its hold indefinitely. As a result, it is exceedingly difficult to envision a durable totalitarian regime in Argentina, even though the executive branch traditionally is granted extensive putative powers. Only with the greatest difficulty can a particular approach to a problem gather the necessary consensus to become firmly established.

Civilian Pressures

The chief source of potential trouble for the junta is the labor movement, the most formidable civilian grouping since it achieved political maturity under the tutelage of Juan Peron in the 1940s. There is considerable hostility between labor and the military, much of it stemming from the

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days of Peron. The military, first spawned, but ultimately rejected Peron. Workers, however, still retain a strong loyalty to the man who for decades dominated Argentine politics. They see the military as unalterably opposed to Peron's populism and to the gains they perceive he made for them. For example, every attempt to limit wage increases or rein in the activities of unions is interpreted in this light. Many officers, on the other hand, blame the Peronists for virtually all the ills Argentina has suffered for more than a generation and consider it their duty to extirpate all vestiges of Peronist influence. Many generals believe labor's ascendancy under the former government nearly destroyed the nation's economy.

The military are no less politicized than their civilian counterparts. Disputes and rivalries abound, but most officers prefer not to risk a breakdown of military unity by pressing their differences too far. The safeguarding of military unity frequently means that crucial decisions are deferred and important policies watered down.

Ironically, disputatious officers often seek the backing of civilian groups in an effort to outmaneuver fellow military men. Thus officers regularly scheme with representatives of various groups, even the unions. Civilians do their best to exploit the officers' differences by joining whatever side has the most to offer them. The lineups change often, at times inexplicably.

Further complicating the political scene is the propensity of the regime to undermine its own claims of authority by failing to act promptly on policy matters. Whether or not because of internal divisions, the government has acted inconsistently on several major issues, displayed serious lack of coordination on others, and failed to act at all on still others.

Under these circumstances, civilians feel more or less obliged to test the government at every opportunity. This testing process is in full swing and manifesting itself in a number of ways. The unions are at the forefront of the activity because they have so far been the most affected by junta restrictions to date. Despite the government's takeover of major unions and confederations and the ban on all strikes, workers have repeatedly challenged the junta by staying off the job, staging slowdowns and committing sabotage.

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Labor's defiance reflects a mix of economic and political concerns. Workers have in fact lost considerable purchasing power due as a result of inflation, while pay raises have been limited in the name of austerity. At the same time, labor leaders bridle at the continuing limits placed on their authority and activity. Union leaders are in a particularly difficult situation. Stripped of their ability to demand benefits for workers, there is little they can do to retain the already waning loyalty of the rank and file. They must try to deliver something tangible for union members, if they are to rebuild their support.

We believe that the labor bosses will continue to press the government by encouraging labor protests but only those that stop short of provoking serious retaliation. Only in this way can the leaders strengthen their credibility among those they purport to represent. The junta's relatively mild reaction thus far to labor protests probably has encouraged union leaders to pursue this tactic.

Other civilian sectors bring pressure to bear in whatever way they can. Currently, a vigorous debate is going on regarding restructuring the executive authority. The question revolves on whether the presidency should continue to be held by a member of the junta or should go to a "fourth man." Most of the arguments suggest that the present government setup worked well during the initial crisis and subsequent consolidation of the junta's authority, but that it does not give the presidency enough authority to direct longer term policies and plans. Some commentators contend that to leave the presidency within the military junta increases rather than reduces the potential for crippling military rivalries.

The debate not only raises substantive issues but also presents another opportunity for Argentines to put pressure on the regime. It is difficult for President Videla to ignore the debate, which is at least tacitly approved by some potential military rivals eager to advance their own ambitions. He clearly will need to devote an increasing amount of his time to protecting himself politically. As a result, it will be hard for him to address the policy issues he is expected to deal with as chief executive.

Approved for Release: 2018/09/17 C03159416

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How far civilians can go in pressing the government depends on their tenacity and on the tolerance of key generals. The outcome hinges on a complicated series of relationships between Videla and other officers as well as between civilians and the military. The efforts of civilians could be counterproductive.

Military Opposition

Videla is committed to a form of military rule that is moderate in all areas except counterinsurgency, and he seems to value open dialogue with a wide variety of military and civilian groups. Videla's conciliatory approach has caused him problems, however, particularly from rival officers. Some claim that his mild manner stems from weakness and that it invites continued defiance from civilians. A sizable number of officers reject Videla's policy of conciliation and have called for greater restrictions on civilians and an even more ruthless campaign against the terrorists. Videla and his military supporters have spent a good deal of time working to block this concept.

Navy chief and fellow junta member Admiral Massera has been especially strident in his criticism of the President, apparently in order to gain the support of officers opposed to Videla's moderate ways. Massera's tactics are brazenly opportunistic and self-serving; he is reported to be in contact with certain civilians interested in seeing him move up.

The planning minister, General Ramon Diaz Bessone, could pose a more serious threat to Videla. Last year Diaz Bessone engineered the establishment of the post he now occupies, and he is now next to Videla in the line of succession. This was accomplished over the President's objections. Diaz Bessone, who enjoys a reputation as a hard liner, obviously has his eyes on the presidency.

At some point, Videla's military critics may muster enough support to force him to abandon his moderate approach or step aside. The arguments of such officers would take on increased importance if in the interim, under the leadership of Videla, the government should suffer a major reverse either in the anti-terrorist fight or on the economic front.

Approved for Release: 2018/09/17 C03159416

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Outlook

The military clearly do not intend to give up power in the near future. The problems they intervened to tackle are not subject to short-term solutions, and the officers are committed to their solution. As a practical matter, moreover, there is no alternative to military rule in sight.

The eradication of subversion will continue to preoccupy the regime. The military are encouraged by the very real losses they have inflicted on the terrorists, but they know that the war is still not won. Many believe the Peoples Revolutionary Army has been all but destroyed, but there is less optimism regarding the urban-based Montoneros. Although the Montoneros have been hurt by the counterinsurgency campaign, they retain the ability--and the will--to carry out attacks on businessmen, police, and others. It is possible that changes at the top will take place within the next month or so. Rumors to this effect are rampant in Buenos Aires. Should Videla lose either the presidency or his position in the junta, it will be taken as a decisive defeat for his moderate policies and a corresponding gain for his hard-line opponents.

Real or perceived pressures from the US on human rights may have an important influence on Videla's ability to retain the upper hand. If he is seen as caving in to the US, the hard-liners can hope to use nationalistic arguments to strengthen their case against him. Videla must, therefore, make it clear to his detractors that he is willing to stand up to Washington.

Whether ot not Videla remains in office the human rights problem will persist in Argentina. It will continue to be a troublesome factor--and a potential cause of friction with the US--as long as the Argentine military believes it faces a serious subversive threat.

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